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C.I.A. Adopts Code to Avert Abuses by Ex-Agents

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WASHINGTON, Feb. 3 — The Central Intelligence Agency, in response to disclosures about the Libyan activities of its agents, has adopted a new code of conduct that prohibits the use of public office and inside information for private gain, according to agency officials and congressional sources.

The code, which was distributed within the agency in the last few days, says that employees of the agency enjoy "special trust" and calls for them to maintain high standards of conduct

"during and after" their Government employment, the sources said.

The new standard, for the first time, extends agency regulations to former employees, but the C.I.A. is not able to enforce sanctions against such people who violate the code, according to Dale Peterson, an agency spokesman.

The code was given today to members of the House Select Committee on Intelligence, which held more closed hearings into the activities of two former agents, Edwin P. Wilson and Frank E. Terpil. The two were indicted in 1980 on charges of illegally shipping explosives to Libya and are both fugitives.

Today's hearings covered Mr. Wilson's work from 1971 to 1976 for a secret Navy intelligence unit, Task Force 157. Adm. Bobby R. Inman, who disbanded the unit in 1977 as Director of Naval Intelligence, and who is currently Deputy Director of Central Intelligence, appeared before the committee.

Mr. Wilson operated a number of Washington-based companies that served as fronts for Task Force 157, and after leaving the Government, continued to use those same corporations in his Libyan dealings, according to public records. From 1967 to 1976, while he was in the Government, Mr. Wilson's net

worth increased from \$200,000 to \$2 million, according to credit records.

The House committee is interested in determining the extent to which the C.I.A. and other intelligence agencies monitor and control the activities of secret corporations used in clandestine intelligence operations. The C.I.A. runs secret businesses, known as proprietary, to provide cover for agents, to "wash" money for covert operations, and for other clandestine purposes.

New Security Procedures

The new code of conduct prohibits employees of the agency from using its facilities and C.I.A.-derived information in private business dealings.

Representative Romano L. Mazzoli, Democrat of Kentucky, who heads the legislative subcommittee of the intelligence panel, said after the hearing that

changes in auditing, reporting and security procedures outlined today by Admiral Inman had made it highly unlikely that intelligence proprietaries could be misused, as was the case with Mr. Wilson.

Mr. Mazzoli said, however, that the committee was still looking to possible legislation in the area later in the year, after a "continuing dialogue with the C.I.A."

Representative Albert Gore Jr., Democrat of Tennessee, said he believed the agency had been "blinded" in its analyses of Iran under the deposed Shah and Libya, in part because of close ties between agency personnel and the two countries. Mr. Gore said he intended to propose legislation requiring members of the intelligence committee to agree not to work for foreign countries after their Government service.

Officials of the agency, like all Government employees, are subject to various Federal criminal conflict of interest laws, no current or former employee of the agency has ever been charged under those statutes.

However, some C.I.A. officials have been disciplined or dismissed for misconduct in the past, as in the case of two agency officials who were dismissed by the agency in 1977 because of their involvement with Mr. Wilson.

The committee will finish its closed hearings tomorrow, when Defense Department officials are expected to discuss Mr. Wilson's recruitment of members of the Army Special Forces to help train terrorists in Libya. The committee will hold public hearings on the matter within the next month.

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